

Module 9 Simulation

Claiming the Tax Credit for Child and Dependent Care Expenses

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16



In this simulation, you will take on the role of Albert Wentworth in order to learn how to claim the Tax Credit for Child and Dependent Care Expenses.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16



Module 9 Simulation



You are married to Susan. You have two children, Rachel, age 5, and Paul, age 2. You live in the United States; you, your wife, and your children are all U.S. citizens. Neither you, nor Susan, can be claimed as a dependent on any other person's tax return.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16

Module 9 Simulation



You are a financial planner. Susan is a social worker. The children lived with you and Susan during the entire tax year in the family home. No one except Rachel and Paul depends on you and Susan for income or support. No one else can claim you or Susan as dependents. While you and Susan are at work, Rachel and Paul stay at Anytown Daycare Center, whose tax identification number is 10-0124578.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16

My Profile

Name: Albert Wentworth

Employment: Financial planner

Marital status: Married

Spouse's name (if any): Susan Wentworth, social worker

Children: Rachel, age 5, and Paul, age 2

U.S. citizen: Yes

Other: The children lived with you and Susan during the entire tax year in the family home. No one except Rachel and Paul depends on you and Susan for income or support. No one else can claim you or Susan as dependents. While you and Susan are at work, Rachel and Paul stay at Anytown Daycare Center, whose tax identification number is 10-0124578. Rachel and Paul did not have any income for the year. You and Susan provided all of the support for Rachel and Paul. You and Susan provided all of the costs to maintain the family home. During the tax year, you paid \$1500.00 each for the care of the children while you and Susan were at work. Neither you nor Susan received dependent care assistance from your employers.



Module 9 Simulation



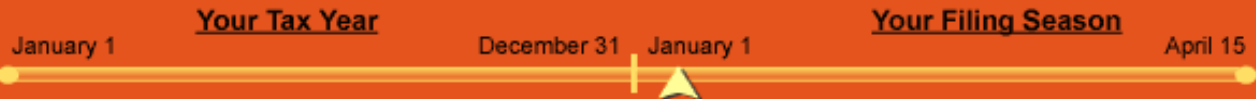
It's the end of the tax year. Rachel and Paul did not have any income for the year. You and Susan provided all of the support for Rachel and Paul. You and Susan provided all of the costs to maintain the family home. During the tax year, you paid \$1,500 each for the care of the children while you and Susan were at work. Neither you nor Susan received dependent care assistance from your employers.

To review your personal information, click **My Profile** below.

1 2 3 4 5 **6** 7 8 9 10 11 12 13 14 15 16

My Profile

Module 9 Simulation



You and Susan receive your Forms W-2 from your employers. You earned \$48,215 from your job. Susan earned \$17,211 from her part-time job.

Note: Your employer is required to send your W-2 by January 31!

To review your W-2, click **My Form W-2** below.


To review Susan's W-2, click **My Spouse's Form W-2** below.

1 2 3 4 5 6 **7** 8 9 10 11 12 13 14 15 16

My Profile

My Form W-2

My Spouse's Form W-2


| | | | | | | | | | | | |
|---|--|--|--|--|--|---|--|--|--|-------------------------|--|
| | | a Employee's social security number | | OMB No. 1545-0008 | | Safe, accurate, FAST! Use  | | Visit the IRS website at www.irs.gov/efile . | | | |
| b Employer identification number (EIN) 10-2255412 | | | | 1 Wages, tips, other compensation \$48,215 | | 2 Federal income tax withheld \$4,904.00 | | | | | |
| c Employer's name, address, and ZIP code Financial Planners Inc. 12 Center Circle Anytown, US 10123 | | | | 3 Social security wages \$48,215 | | 4 Social security tax withheld \$2,989.33 | | | | | |
| | | | | 5 Medicare wages and tips \$48,215 | | 6 Medicare tax withheld \$699.12 | | | | | |
| | | | | 7 Social security tips | | 8 Allocated tips | | | | | |
| d Control number 222-00-1287 | | | | 9 Advance EIC payment | | 10 Dependent care benefits | | | | | |
| e Employee's first name and initial Albert W. | | Last name Wentworth | | Suff. | | 11 Nonqualified plans | | 12a See instructions for box 12 | | | |
| 2 Shady Tree Lane Anytown, US 10111 | | | | | | 13 Statutory employee Retirement plan Third-party sick pay <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> | | 12b | | | |
| | | | | | | 14 Other | | 12c | | | |
| | | | | | | 12d | | | | | |
| f Employee's address and ZIP code | | | | | | | | | | | |
| 15 State Employer's state ID number | | 16 State wages, tips, etc. | | 17 State income tax | | 18 Local wages, tips, etc. | | 19 Local income tax | | 20 Locality name | |
| | | | | | | | | | | | |

Form **W-2** **Wage and Tax
Statement**

2007

Department of the Treasury—Internal Revenue Service

Copy B—To Be Filed With Employee's FEDERAL Tax Return.
This information is being furnished to the Internal Revenue Service.

| | | | | | | | | | | | |
|--|--|--|--|---|--|---|-----------------------------------|---|--|--|--|
| | | a Employee's social security number | | OMB No. 1545-0008 | | Safe, accurate, FAST! Use | |  | | Visit the IRS website at www.irs.gov/efile . | |
| b Employer identification number (EIN) 10-2365410 | | | | 1 Wages, tips, other compensation 17211.00 | | 2 Federal income tax withheld 575.00 | | | | | |
| c Employer's name, address, and ZIP code Anytown Health Center 21 Center Circle Anytown, US 10133 | | | | 3 Social security wages 17211.00 | | 4 Social security tax withheld 1067.01 | | | | | |
| | | | | 5 Medicare wages and tips 17211.00 | | 6 Medicare tax withheld 249.56 | | | | | |
| | | | | 7 Social security tips | | 8 Allocated tips | | | | | |
| d Control number 222-00-8655 | | | | 9 Advance EIC payment | | 10 Dependent care benefits | | | | | |
| e Employee's first name and initial Susan S. | | Last name Wentworth | | Suff. | | 11 Nonqualified plans | | 12a See instructions for box 12 <small>saoc</small> | | | |
| 2 Shady Tree Lane Anytown, US 10111 | | | | | 13 <div style="display: flex; justify-content: space-around; font-size: small;"> Statutory employee <input type="checkbox"/> Retirement plan <input type="checkbox"/> Third-party sick pay <input type="checkbox"/> </div> | | 12b <small>saoc</small> | | | | |
| | | | | | 14 Other | | 12c <small>saoc</small> | | | | |
| | | | | | | | 12d <small>saoc</small> | | | | |
| f Employee's address and ZIP code | | | | | | | | | | | |
| 15 State Employer's state ID number <div style="border-bottom: 1px dashed black; height: 20px; width: 100%;"></div> | | 16 State wages, tips, etc. | | 17 State income tax | | 18 Local wages, tips, etc. | | 19 Local income tax | | 20 Locality name | |

Form **W-2** Wage and Tax Statement

2007

Department of the Treasury—Internal Revenue Service

Copy B—To Be Filed With Employee's FEDERAL Tax Return.
 This information is being furnished to the Internal Revenue Service.

Module 9 Simulation



You have everything you need to file your taxes. You will be using Form 1040A in order to claim the tax credit for child and dependent care expenses. You will be using the married filing joint filing status.

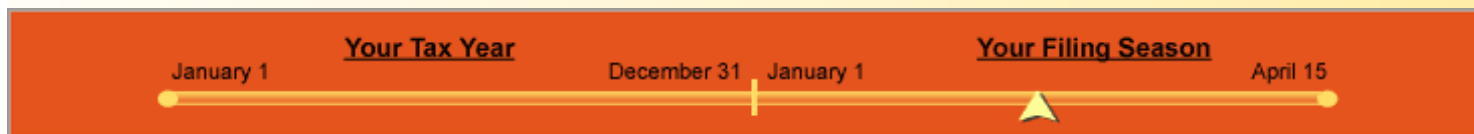
| | | | | | |
|--|--|---|---|-----------------------------------|--|
| Form 1040A | Department of the Treasury—Internal Revenue Service | | U.S. Individual Income Tax Return (99) 2007 | | IRS Use Only—Do not write or staple in this space. |
| Label (See page 18.) Use the IRS label. Otherwise, please print or type. Presidential Election Campaign | L A B E L H E R E | Your first name and initial | Last name | | OMB No. 1545-0074 |
| | | If a joint return, spouse's first name and initial | Last name | | Your social security number |
| | | Home address (number and street). If you have a P.O. box, see page 18. | | Apt. no. | Spouse's social security number |
| | | City, town or post office, state, and ZIP code. If you have a foreign address, see page 18. | | You must enter your SSN(s) above. | |
| Presidential Election Campaign Check here if you, or your spouse if filing jointly, want \$3 to go to this fund (see page 18) <input type="checkbox"/> You <input type="checkbox"/> Spouse | | | | | |
| Filing status | 1 <input type="checkbox"/> Single 2 <input type="checkbox"/> Married filing jointly (even if only one had income) 4 <input type="checkbox"/> Head of household (with qualifying person). (See page 19.) If the qualifying person is a child but not your dependent, | | | | |

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16

My Profile

My Form W-2

My Spouse's Form W-2

**Module 9
Simulation****Are the Qualifying Child Dependency Tests Met For Rachel Wentworth?**

Dependent Taxpayer Test

☒ yes ☐ no

Joint Return Test

☒ yes ☐ no

Citizen or Resident Test

☒ yes ☐ no

Relationship Test

☒ yes ☐ no

Age Test

☒ yes ☐ no

Residency Test

☒ yes ☐ no

Support Test

☒ yes ☐ no

Special Test for Qualifying Child of More Than One Person

☐ yes ☐ no ☒ not
does
apply

Can you claim Rachel as a dependent on your tax return?

☒ yes ☐ no

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16

My Profile**My Form W-2****My Spouse's Form W-2**

**Module 9
Simulation**

Well done!

Rachel meets the Dependent Taxpayer Test — she is not claiming another person.

Rachel meets the Joint Return Test — she has no income and will not file a tax return this year.

Rachel meets the Citizen or Resident Test — she is a United States citizen.

Rachel meets the Relationship Test — she is your daughter.

Rachel meets the Age Test — she is 5.

Rachel meets the Residency Test — she lived with you and Susan the entire year.

Rachel meets the Support Test — she does not provide over 50% of her own support.

Special Test for Qualifying Child of More Than One Person does not apply to Rachel — her parents are filing a joint return.

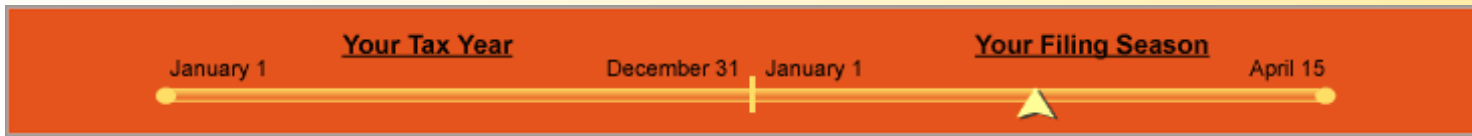
All of the tests are met. You can claim Rachel as a dependent on your tax return.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16

My Profile

My Form W-2

My Spouse's Form W-2

**Module 9
Simulation****Are the Qualifying Child Dependency Tests Met For Paul Wentworth?**

Dependent Taxpayer Test

☒ yes ☐ no

Joint Return Test

☒ yes ☐ no

Citizen or Resident Test

☒ yes ☐ no

Relationship Test

☒ yes ☐ no

Age Test

☒ yes ☐ no

Residency Test

☒ yes ☐ no

Support Test

☒ yes ☐ no

Special Test for Qualifying Child of More Than One Person

☐ yes ☐ no ☒ not apply

does

Can you claim Paul as a dependent on your tax return?

☒ yes ☐ no

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16

My Profile**My Form W-2****My Spouse's Form W-2**

Module 9 Simulation



Well done!

Paul meets the Dependent Taxpayer Test — he is not claiming another person.

Paul meets the Joint Return Test — he has no income and will not file a tax return this year.

Paul meets the Citizen or Resident Test — he is a United States citizen.

Paul meets the Relationship Test — he is your son.

Paul meets the Age Test — he is 2.

Paul meets the Residency Test — he lived with you and Susan the entire year.

Special Test for Qualifying Child of More Than One Person does not apply to Paul — his parents are filing a joint return.

All of the tests are met. You can claim Paul as a dependent on your tax return.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16

My Profile

My Form W-2

My Spouse's Form W-2

Module 9 Simulation



You will now answer several questions to determine whether you can claim the tax credit for Child and Dependent Care Expenses.

Did you pay a person or an organization to provide care for your child or children under age 13?

☒ yes ☐ no

Are you a U.S. citizen?

☒ yes ☐ no

If yes, you have at least one qualifying person.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16

My Profile

My Form W-2

My Spouse's Form W-2

**Module 9
Simulation**

Did you pay a person or an organization to provide care for a person, other than a child, who is physically or mentally incapable of self-care?

☐ yes ☒ no

If yes, is the person claimed as a dependent on your tax return?

☐ yes ☒ no

If yes, you have at least one qualifying person.

If no, could you claim the person as a dependent if his or her gross income was less than the exemption amount?

☒ yes ☐ no

If yes, you have at least one qualifying person.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16

My Profile

My Form W-2

My Spouse's Form W-2

Module 9 Simulation



Did you pay a person or an organization to provide care for your spouse who is incapable of self-care?

☐ yes ☒ no

If yes, you have at least one qualifying person.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16

My Profile

My Form W-2

My Spouse's Form W-2

Module 9 Simulation



Enter information in the fields below if applicable. If not, leave blank.

Enter the name of a qualifying person for whom care was provided:

(e.g. Bob Smith)

Enter the amount of qualifying expenses paid exactly as it appears in your profile:

Enter the name of another qualifying person for whom care was provided:

(e.g. Bob Smith)

Enter the amount of qualifying expenses paid exactly as it appears in your profile:

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16

My Profile

My Form W-2

My Spouse's Form W-2

**Module 9
Simulation**

Did you maintain a home that was also the home of a qualifying person?

☒ yes ☐ no

If no, you cannot claim the credit for child and dependent care expenses.

Did you pay a person, not an organization, to provide care for a qualifying person?

☐ yes ☒ no

If yes, is the care provider your own child under age 19?

☐ yes ☐ no

If yes, you cannot claim the credit for child and dependent care expenses.

Can you claim the care provider as a dependent on your tax return?

☐ yes ☒ no

If yes, you cannot claim the credit for child and dependent care expenses.

17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

My Profile

My Form W-2

My Spouse's Form W-2

Module 9 Simulation



Did you pay an organization to provide care for a qualifying person?

☒ yes ☐ no

If yes, enter the following information exactly as it appears in your profile.

Provider's name:

Provider's tax identification number:

17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

My Profile

My Form W-2

My Spouse's Form W-2

Module 9 Simulation



Did you receive any dependent care assistance from your employer?

☐ yes ☒ no

If yes, enter the amount received from your employer or employers.

Amount received: \$

17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

My Profile

My Form W-2

My Spouse's Form W-2

Module 9 Simulation



Use Form W-2 to enter your salary on Form 1040A. Enter your salary exactly as it appears on your W-2.

Enter salary: \$ 48215

Form **1040A** Department of the Treasury—Internal Revenue Service **U.S. Individual Income Tax Return** (99) **2007** IRS Use Only—Do not write or staple in this space. CMB No. 1545-0074

Label (See page 18.) **Use the IRS label.** Otherwise, please print or type.

Presidential Election Campaign Check here if you, or your spouse if filing jointly, want \$3 to go to this fund (see page 18) ☐ You ☐ Spouse

Filing status Check only one box.

1 ☐ Single
 2 ☒ Married filing jointly (even if only one had income)
 3 ☐ Married filing separately. Enter spouse's SSN above and full name here. ☐ Head of household (with qualifying person). (See page 19.) If the qualifying person is a child but not your dependent, enter this child's name here. ☐ Qualifying widow(er) with dependent child (see page 20)

Exemptions

6a ☐ Yourself. If someone can claim you as a dependent, do not check box 6a.
 b ☐ Spouse
 c **Dependents:**

| (1) First name | Last name | (2) Dependent's social security number | (3) Dependent's relationship to you | (4) <input checked="" type="checkbox"/> If qualifying child for child tax credit (see page 21) |
|----------------|-----------|--|-------------------------------------|--|
| | | | | <input type="checkbox"/> |
| | | | | <input type="checkbox"/> |
| | | | | <input type="checkbox"/> |
| | | | | <input type="checkbox"/> |
| | | | | <input type="checkbox"/> |
| | | | | <input type="checkbox"/> |

d Total number of exemptions claimed. 7

Income

7 Wages, salaries, tips, etc. Attach Form(s) W-2. 7

8a Taxable interest. Attach Schedule 1 if required. 8a
 b Tax-exempt interest. Do not include on line 8a. 8b
 9a Ordinary dividends. Attach Schedule 1 if required. 9a
 b Qualified dividends (see page 25) 9b

Hint: See Box 1 on your W-2.

Module 9 Simulation



Use your Form W-2 to enter your federal tax withheld on your Form 1040A. Enter your tax withheld exactly as it appears on your W-2.

Enter tax withheld: \$

Form 1040A (2007) Page 2

| | | | |
|---|--|------------|-----------------------------------|
| Tax, credits, and payments | 22 Enter the amount from line 21 (adjusted gross income). | 22 | |
| | 23a Check <input type="checkbox"/> You were born before January 2, 1943, <input type="checkbox"/> Blind } Total boxes if: <input type="checkbox"/> Spouse was born before January 2, 1943, <input type="checkbox"/> Blind } checked 23a <input type="checkbox"/> | | |
| | b If you are married filing separately and your spouse itemizes deductions, see page 32 and check here 23b <input type="checkbox"/> | | |
| Standard Deduction for— • People who checked any box on line 23a or 23b or who can be claimed as a dependent, see page 32. • All others: Single or Married filing separately, \$5,350 Married filing jointly or Qualifying widow(er), \$10,700 Head of household, \$7,650 | 24 Enter your standard deduction (see left margin). | 24 | |
| | 25 Subtract line 24 from line 22. If line 24 is more than line 22, enter -0-. | 25 | |
| | 26 If line 22 is \$117,300 or less, multiply \$3,400 by the total number of exemptions claimed on line 6d. If line 22 is over \$117,300, see the worksheet on page 32. | 26 | |
| | 27 Subtract line 26 from line 25. If line 26 is more than line 25, enter -0-. This is your taxable income . | 27 | |
| | 28 Tax , including any alternative minimum tax (see page 32). | 28 | |
| | 29 Credit for child and dependent care expenses. Attach Schedule 2. | 29 | |
| | 30 Credit for the elderly or the disabled. Attach Schedule 3. | 30 | |
| | 31 Education credits. Attach Form 8863. | 31 | |
| | 32 Child tax credit (see page 37). Attach Form 8901 if required. | 32 | |
| | 33 Retirement savings contributions credit. Attach Form 8880. | 33 | |
| | 34 Add lines 29 through 33. These are your total credits . | 34 | |
| | 35 Subtract line 34 from line 28. If line 34 is more than line 28, enter -0-. | 35 | |
| | 36 Advance earned income credit payments from Form(s) W-2, box 9. | 36 | |
| | 37 Add lines 35 and 36. This is your total tax . | 37 | |
| | 38 Federal income tax withheld from Forms W-2 and 1099. | 38 | <input type="text" value="4904"/> |
| | 39 2007 estimated tax payments and amount applied from 2006 return. | 39 | |
| If you have a qualifying child, attach Schedule | 40a Earned income credit (EIC) . | 40a | |
| | b Nontaxable combat pay election. 40b | 40b | |

Hint: See Box 2 on your W-2.

Module 9 Simulation



Use Form W-2 to enter Susan's salary on Form 1040A. Enter her salary exactly as it appears on her W-2.

Enter Susan's salary: \$ 17211

Note: Susan's salary will be added to your salary on your final tax return.

| Form 1040A | | Department of the Treasury—Internal Revenue Service | | U.S. Individual Income Tax Return (99) 2007 | | IRS Use Only—Do not write or staple in this space. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---|--|-------------------------------------|--|---|--|--|---|-----------|---|-------------------------------------|--|----|---|----|-------------------------------------|--------------------------|--|--|--|--|--------------------------|--|--|--|--|--------------------------|--|--|--|--|--------------------------|--|--|--|
| Label (See page 18.) Use the IRS label. Otherwise, please print or type. Presidential Election Campaign | L A B E L H E R E | Your first name and initial Albert W. | | Last name Wentworth | | CMB No. 1545-0074 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | If a joint return, spouse's first name and initial Susan S. | | Last name Wentworth | | Your social security number 222 : 00 : 1287 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Home address (number and street). If you have a P.O. box, see page 18. 2 Shady Tree Lane | | Apt. no. | | Spouse's social security number 222 : 00 : 8655 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | City, town or post office, state, and ZIP code. If you have a foreign address, see page 18. Anytown, US 10111 | | | | ▲ You must enter your SSN(s) above. ▲ Checking a box below will not change your tax or refund. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Presidential Election Campaign ▶ Check here if you, or your spouse if filing jointly, want \$3 to go to this fund (see page 18) ▶ <input type="checkbox"/> You <input type="checkbox"/> Spouse | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Filing status Check only one box. | | 1 <input type="checkbox"/> Single 2 <input checked="" type="checkbox"/> Married filing jointly (even if only one had income) 3 <input type="checkbox"/> Married filing separately. Enter spouse's SSN above and full name here. ▶ 4 <input type="checkbox"/> Head of household (with qualifying person). (See page 19.) If the qualifying person is a child but not your dependent, enter this child's name here. ▶ 5 <input type="checkbox"/> Qualifying widow(er) with dependent child (see page 20) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Exemptions 6a <input type="checkbox"/> Yourself. If someone can claim you as a dependent, do not check box 6a. b <input type="checkbox"/> Spouse c Dependents: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>(1) First name</th> <th>Last name</th> <th>(2) Dependent's social security number</th> <th>(3) Dependent's relationship to you</th> <th>(4) <input checked="" type="checkbox"/> If qualifying child for child tax credit (see page 21)</th> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td><td> </td><td><input type="checkbox"/></td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td><input type="checkbox"/></td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td><input type="checkbox"/></td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td><input type="checkbox"/></td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td><input type="checkbox"/></td></tr> </tbody> </table> | | | | | | (1) First name | Last name | (2) Dependent's social security number | (3) Dependent's relationship to you | (4) <input checked="" type="checkbox"/> If qualifying child for child tax credit (see page 21) | | | | | <input type="checkbox"/> | | | | | <input type="checkbox"/> | | | | | <input type="checkbox"/> | | | | | <input type="checkbox"/> | | | |
| (1) First name | Last name | (2) Dependent's social security number | (3) Dependent's relationship to you | (4) <input checked="" type="checkbox"/> If qualifying child for child tax credit (see page 21) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | <input type="checkbox"/> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | <input type="checkbox"/> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | <input type="checkbox"/> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | <input type="checkbox"/> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | <input type="checkbox"/> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| If more than six dependents, see page 21. | | d Total number of exemptions claimed. Boxes checked on 6a and 6b: <input type="checkbox"/> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Income Attach Form(s) W-2 here. Also attach Form(s) 1099-R if tax <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>7 Wages, salaries, tips, etc. Attach Form(s) W-2.</td> <td style="text-align: center;">7</td> </tr> <tr> <td>8a Taxable interest. Attach Schedule 1 if required.</td> <td>8a</td> </tr> <tr> <td>b Tax-exempt interest. Do not include on line 8a.</td> <td>8b</td> </tr> <tr> <td>9a Ordinary dividends. Attach Schedule 1 if required.</td> <td>9a</td> </tr> <tr> <td>b Qualified dividends (see page 25)</td> <td>9b</td> </tr> </table> | | | | | | 7 Wages, salaries, tips, etc. Attach Form(s) W-2. | 7 | 8a Taxable interest. Attach Schedule 1 if required. | 8a | b Tax-exempt interest. Do not include on line 8a. | 8b | 9a Ordinary dividends. Attach Schedule 1 if required. | 9a | b Qualified dividends (see page 25) | 9b | | | | | | | | | | | | | | | | | | |
| 7 Wages, salaries, tips, etc. Attach Form(s) W-2. | 7 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 8a Taxable interest. Attach Schedule 1 if required. | 8a | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| b Tax-exempt interest. Do not include on line 8a. | 8b | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 9a Ordinary dividends. Attach Schedule 1 if required. | 9a | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| b Qualified dividends (see page 25) | 9b | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Module 9 Simulation



Use Susan's Form W-2 to enter her federal tax withheld on your Form 1040A.
Enter her tax withheld exactly as it appears on her Form W-2.

Enter Susan's tax withheld: \$ 575

Note: Susan's tax withheld will be added to your tax withheld on your final tax return.

| | | | | | |
|---|---|---|--|--|--|
| Form 1040A Department of the Treasury—Internal Revenue Service | | U.S. Individual Income Tax Return (99) 2007 | | IRS Use Only—Do not write or staple in this space. | |
| Label (See page 18.) Use the IRS label. Otherwise, please print or type. Presidential Election Campaign | Label Your first name and initial: Albert W. Last name: Wentworth | | CMB No. 1545-0074 Your social security number: 222 : 00 : 1287 | | |
| | If a joint return, spouse's first name and initial: Susan S. Last name: Wentworth | | Spouse's social security number: 222 : 00 : 8655 | | |
| | Home address (number and street). If you have a P.O. box, see page 18. 2 Shady Tree Lane Apt. no.: | | ▲ You must enter your SSN(s) above. ▲ | | |
| | City, town or post office, state, and ZIP code. If you have a foreign address, see page 18. Anytown, US 10111 | | | | |
| Checking a box below will not change your tax or refund. Presidential Election Campaign: Check here if you, or your spouse if filing jointly, want \$3 to go to this fund (see page 18) <input type="checkbox"/> You <input type="checkbox"/> Spouse | | | | | |
| Filing status Check only one box. | | | | | |
| 1 <input type="checkbox"/> Single 4 <input type="checkbox"/> Head of household (with qualifying person). (See page 19.) 2 <input checked="" type="checkbox"/> Married filing jointly (even if only one had income) If the qualifying person is a child but not your dependent, enter this child's name here. ► 3 <input type="checkbox"/> Married filing separately. Enter spouse's SSN above and full name here. ► 5 <input type="checkbox"/> Qualifying widow(er) with dependent child (see page 20) | | | | | |
| Exemptions | | | | | |
| 6a <input type="checkbox"/> Yourself. If someone can claim you as a dependent, do not check box 6a. | | | | | |
| b <input type="checkbox"/> Spouse | | | | | |
| c Dependents: | | | | | |
| (1) First name Last name | | (2) Dependent's social security number | (3) Dependent's relationship to you | (4) <input checked="" type="checkbox"/> If qualifying child for child tax credit (see page 21) | Boxes checked on 6a and 6b: |
| _____ | | _____ | _____ | <input type="checkbox"/> | No. of children on 6c who: |
| _____ | | _____ | _____ | <input type="checkbox"/> | • lived with you |
| _____ | | _____ | _____ | <input type="checkbox"/> | • did not live with you due to divorce or separation (see page 22) |
| _____ | | _____ | _____ | <input type="checkbox"/> | Dependents on 6c not entered above |
| _____ | | _____ | _____ | <input type="checkbox"/> | Add numbers on lines above ► |
| d Total number of exemptions claimed. | | | | | |
| Income | | | | | |
| Attach Form(s) W-2 here. Also attach Form(s) 1099-R if tax | | | | | |
| 7 Wages, salaries, tips, etc. Attach Form(s) W-2. 7 | | | | | |
| 8a Taxable interest. Attach Schedule 1 if required. 8a | | | | | |
| b Tax-exempt interest. Do not include on line 8a. 8b | | | | | |
| 9a Ordinary dividends. Attach Schedule 1 if required. 9a | | | | | |
| b Qualified dividends (see page 25) 9b | | | | | |

Module 9 Simulation



Since you have no other sources of income, you have completed your tax return. All that's left to do is review your return.

To review your return, click ***My Tax Form*** below.

17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

My Profile

My Form W-2

My Spouse's Form W-2

My Tax Form

1040A**U.S. Individual Income Tax Return**

(99)

2007

IRS Use Only—Do not write or staple in this space.

Label

(See page 18.)

Use the IRS label.

Otherwise, please print or type.

Presidential**Election Campaign**

Your first name and initial

Albert W.

Last name

Wentworth

If a joint return, spouse's first name and initial

Susan S.

Last name

Wentworth

Home address (number and street). If you have a P.O. box, see page 18.

2 Shady TreeLane

Apt. no.

City, town or post office, state, and ZIP code. If you have a foreign address, see page 18.

Anytown US 10111

OMB No. 1545-0074

Your social security number**222 00 1287****Spouse's social security number****222 00 8655**

▲ You must enter your SSN(s) above. ▲

Checking a box below will not change your tax or refund.

Filing status

Check only one box.

1 ☐ Single**2** ☒ Married filing jointly (even if only one had income)**3** ☐ Married filing separately. Enter spouse's SSN above and full name here. ►**4** ☐ Head of household (with qualifying person). (See page 19.) If the qualifying person is a child but not your dependent, enter this child's name here. ►**5** ☐ Qualifying widow(er) with dependent child (see page 20)**Exemptions****6a** ☒ **Yourself.** If someone can claim you as a dependent, **do not** check box 6a.**b** ☒ **Spouse****c Dependents:**

(1) First name Last name

(2) Dependent's social security number

(3) Dependent's relationship to you

(4) ☒ If qualifying child for child tax credit (see page 21)**Rachel S. Wentworth****222 00 1500****Paul J. Wentworth****222 00 4123**Boxes checked on 6a and 6b **2**

No. of children on 6c who:

• lived with you **2**

• did not live with you due to divorce or separation (see page 22)

Dependents on 6c not entered above

Add numbers on lines above ► **4****d** Total number of exemptions claimed.**Income****Attach Form(s) W-2 here. Also attach Form(s) 1099-R if tax was withheld.**

If you did not get a W-2, see page 24.

Enclose, but do not attach, any payment.

7 Wages, salaries, tips, etc. Attach Form(s) W-2.**7 65426 00****8a** Taxable interest. Attach Schedule 1 if required.**8a****b** Tax-exempt interest. Do not include on line 8a.**8b****9a** Ordinary dividends. Attach Schedule 1 if required.**9a****b** Qualified dividends (see page 25).**9b****10** Capital gain distributions (see page 25).**10****11a** IRA distributions.**11a****11b** Taxable amount (see page 25).**11b****12a** Pensions and annuities.**12a****12b** Taxable amount (see page 26).**12b****13** Unemployment compensation and Alaska Permanent Fund dividends.**13****14a** Social security benefits.**14a****14b** Taxable amount (see page 28).**14b****15** Add lines 7 through 14b (far right column). This is your **total income**.**15 65426 00****Adjusted gross income****16** Educator expenses (see page 28).**16****17** IRA deduction (see page 28).**17****18** Student loan interest deduction (see page 31).**18****19** Tuition and fees deduction. Attach Form 8917.**19****20** Add lines 16 through 19. These are your **total adjustments**.**20****21** Subtract line 20 from line 15. This is your **adjusted gross income**.**21 65326 00**

Tax, credits, and payments**Standard Deduction for—**

• People who checked any box on line 23a or 23b or who can be claimed as a dependent, see page 32.

• All others:
Single or Married filing separately, \$5,350

Married filing jointly or Qualifying widow(er), \$10,700

Head of household, \$7,850

If you have a qualifying child, attach Schedule EIC.

Refund

Direct deposit? See page 53 and fill in 44b, 44c, and 44d or Form 8888.

Amount you owe**Third party designee****Sign here**

Joint return? See page 18. Keep a copy for your records.

Paid preparer's use only

| | | | | |
|------------|--|------------|--------------|-----------|
| 22 | Enter the amount from line 21 (adjusted gross income). | 22 | 65426 | 00 |
| 23a | Check <input type="checkbox"/> You were born before January 2, 1943, <input type="checkbox"/> Blind <input type="checkbox"/> Spouse was born before January 2, 1943, <input type="checkbox"/> Blind Total boxes checked <input type="checkbox"/> 23a | | | |
| b | If you are married filing separately and your spouse itemizes deductions, see page 32 and check here 23b | | | |
| 24 | Enter your standard deduction (see left margin). | 24 | 10700 | 00 |
| 25 | Subtract line 24 from line 22. If line 24 is more than line 22, enter -0-. | 25 | 54726 | 00 |
| 26 | If line 22 is \$117,300 or less, multiply \$3,400 by the total number of exemptions claimed on line 6d. If line 22 is over \$117,300, see the worksheet on page 32. | 26 | 13600 | 00 |
| 27 | Subtract line 26 from line 25. If line 26 is more than line 25, enter -0-. This is your taxable income . | 27 | 41126 | 00 |
| 28 | Tax , including any alternative minimum tax (see page 32). | 28 | 5386 | 00 |
| 29 | Credit for child and dependent care expenses. Attach Schedule 2. | 29 | 600 | 00 |
| 30 | Credit for the elderly or the disabled. Attach Schedule 3. | 30 | | |
| 31 | Education credits. Attach Form 8863. | 31 | | |
| 32 | Child tax credit (see page 37). Attach Form 8901 if required. | 32 | 2000 | 00 |
| 33 | Retirement savings contributions credit. Attach Form 8880. | 33 | | |
| 34 | Add lines 29 through 33. These are your total credits . | 34 | 2600 | 00 |
| 35 | Subtract line 34 from line 28. If line 34 is more than line 28, enter -0-. | 35 | 2786 | 00 |
| 36 | Advance earned income credit payments from Form(s) W-2, box 9. | 36 | | 00 |
| 37 | Add lines 35 and 36. This is your total tax . | 37 | 2786 | 00 |
| 38 | Federal income tax withheld from Forms W-2 and 1099. | 38 | 5479 | 00 |
| 39 | 2007 estimated tax payments and amount applied from 2006 return. | 39 | | |
| 40a | Earned income credit (EIC) . | 40a | | |
| b | Nontaxable combat pay election. | 40b | | |
| 41 | Additional child tax credit. Attach Form 8812. | 41 | | |
| 42 | Add lines 38, 39, 40a, and 41. These are your total payments . | 42 | 5479 | 00 |
| 43 | If line 42 is more than line 37, subtract line 37 from line 42. This is the amount you overpaid . | 43 | | |
| 44a | Amount of line 43 you want refunded to you . If Form 8888 is attached, check here <input type="checkbox"/> | 44a | 2693 | 00 |
| b | Routing number <input type="text"/> c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings | | | |
| d | Account number <input type="text"/> | | | |
| 45 | Amount of line 43 you want applied to your 2008 estimated tax . | 45 | | |
| 46 | Amount you owe . Subtract line 42 from line 37. For details on how to pay, see page 54. | 46 | | |
| 47 | Estimated tax penalty (see page 54). | 47 | | |

Do you want to allow another person to discuss this return with the IRS (see page 55)? ☐ **Yes**. Complete the following. ☐ **No**

Designee's name Phone no. () Personal identification number (PIN)

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and accurately list all amounts and sources of income I received during the tax year. Declaration of preparer (other than the taxpayer) is based on all information of which the preparer has any knowledge.

Your signature Date Your occupation Daytime phone number ()

Spouse's signature. If a joint return, **both** must sign. Date Spouse's occupation

Preparer's signature Date Check if self-employed ☐ Preparer's SSN or PTIN

Firm's name (or yours if self-employed), address, and ZIP code EIN

Phone no. ()



Module 9 Simulation



Based on your completed tax return, enter your tax for the year. Enter your tax on line 28, exactly as it appears on your tax form.

Enter tax:

\$

Hint: See Line 28 on Form 1040A.

17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

My Profile

My Form W-2

My Spouse's Form W-2

My Tax Form

Module 9 Simulation



Correct! Your tax is \$5,386.00.

Enter your credit for child and dependent care expenses exactly as it appears on your 1040A: \$

The child tax credit is not covered in this lesson, but you are eligible to claim the child tax credit, which is \$1,000 for each qualifying child under age 17.

Enter your child tax credit: \$
(e.g., 1000.00)

Hint: See Lines 29 and 32 on Form 1040A.

17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

My Profile

My Form W-2

My Spouse's Form W-2

My Tax Form

**Module 9
Simulation**

That's right! Your credit for child and dependent care expenses is \$600. Your child tax credit is \$2000.00. Use your Form 1040A to enter your total tax. Enter your tax exactly as it appears on your 1040A.

Enter your total tax: \$

How did the credits affect the total tax?

- ☐ It increased the total tax.
- ☒ It decreased the total tax.
- ☐ It did not affect the total tax.

Hint: See Line 37 on Form 1040A.

17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

My Profile

My Form W-2

My Spouse's Form W-2

My Tax Form

Module 9 Simulation



That's right! Your total tax is \$2,786.00. The tax credits decreased your tax from \$5,386.00 to \$2,786.00.

Are you getting a refund or do you owe more tax?

- ☒ Refund
- ☐ Owe more tax

Hint: See Line 44a on Form 1040A.

17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

My Profile

My Form W-2

My Spouse's Form W-2

My Tax Form

Module 9 Simulation



Yes! Line 44a on your Form 1040A shows that your refund is \$2,693.00. Lines 44b, c, and d indicate that your refund will be directly deposited into your checking account.

Now you are ready to e-file your tax return with the IRS. Click the e-file button below to continue.



17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

My Profile

My Form W-2

My Spouse's Form W-2

My Tax Form

Module 9 Simulation



The last step would be signing the return. You can submit your signature by actually signing Form 8453 and sending it to the IRS, or by using Self-Select PIN (Personal Identification Number) if you are eligible.

The Self-Select PIN is made up of any five numbers (except all zeros) that you choose to enter as your electronic signature. You select your PIN by providing your adjusted gross income from your previous year's tax return for verification purposes. Depending on the version of the software you are using, you may be asked to provide your date of birth in addition to your adjusted gross income.

Signing your return using Self-Select PIN is the simplest and fastest way to submit your signature. You do not need to mail in a paper signature, and you receive an immediate acknowledgement that your tax return was received.

Learn more about self-selecting a PIN by visiting the [IRS Web site](#).

Now click the forward arrow to finish filing Albert's return.

17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

My Profile

My Form W-2

My Spouse's Form W-2

My Tax Form

**Module 9
Simulation**

Congratulations, Albert! You've
successfully filed your return by the filing
deadline.

17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

